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SHFL ENTERTAINMENT, INC.
f/k/a SHUFFLE MASTER, INC.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

SHUFFLE MASTER, INC., a Minnesota
corporation,

Plaintiff,

v.

AVALINX, LLC, an Ohio limited
liability company,

Defendant.

Case No. 2:12-cv-01042-JCM-CWH

**ORDER DENYING
DEFENDANT'S MOTION TO DISMISS
FOR LACK OF PERSONAL
JURISDICTION AND IMPROPER VENUE
OR IN THE ALTERNATIVE TO
TRANSFER VENUE**

Upon consideration of the Motion to Dismiss for Lack of Personal Jurisdiction and Improper Venue or in the Alternative to Transfer Venue ("Motion") filed by Defendant Avalinx, Inc., identified as Avalinx, LLC, in the caption ("Avalinx"), the papers filed in connection therewith, the record in this case, and oral argument by counsel for Avalinx and Plaintiff SHFL entertainment, Inc. f/k/a as Shuffle Master, Inc. ("SHFL") at the November 28, 2012, hearing on the Motion;

THE COURT HEREBY FINDS THAT:

1. Personal jurisdiction over Avalinx is proper under *Calder v. Jones*, 465 U.S. 783 (1984), because:

a. SHFL's Complaint against Avalinx sufficiently pleads facts to establish that Avalinx has purposefully directed its conduct at SHFL in the District

of Nevada under *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1322 (9th Cir. 1998)—which does not require a defendant's physical contact with the forum state—as follows:

- i. SHFL's allegations that Avalinx intentionally infringed SHFL's copyrighted material and trademarks are sufficient to show that Avalinx committed intentional acts;
- ii. SHFL's allegations that Avalinx targeted SHFL with knowledge that SHFL is located in this forum—in conjunction with Avalinx's president Conor Seabrook's admission that he traveled to Las Vegas, Nevada, to perform research for Avalinx's applications—are sufficient to show that Avalinx expressly aimed its conduct at SHFL in the District of Nevada, and establishes that Avalinx has done "something more" than operate a passive website under *Mavrix Photo, Inc. v. Brand Techs., Inc.*, 647 F.3d 1218 (9th Cir. 2012); and
- iii. SHFL's allegations that it suffered harm to its business, reputation and goodwill as a result of Avalinx's infringement, the effects of which SHFL felt in Nevada, where SHFL is headquartered and which is the heart of the gaming industry, are sufficient to establish that Avalinx caused harm that it knew was likely to occur in the District of Nevada;
- b. SHFL's claims arose out of Avalinx's forum-related activities because but for Avalinx's alleged infringement, which reached into the District of Nevada and caused SHFL harm here, SHFL's claims would not have arisen; and
- c. jurisdiction over Avalinx is reasonable.

2. The District of Nevada is the proper venue for this action because the events giving rise to SHFL's claims—namely, the injury SHFL alleges it suffered as a result of consumer

1 confusion, and other harm resulting from Avalinx's infringement—occurred at SHFL's
 2 principal place of business in Las Vegas in the District of Nevada. Transfer of this case to
 3 a different venue would merely shift the cost burden to SHFL, which would be improper
 4 under *Van Dusen v. Barrack*, 376 U.S. 612 (1964).

5 THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT
 6 Avalinx's Motion be, and the same hereby is, DENIED.

7 ENTERED December 10, 2012.

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 10 
 11 UNITED STATES DISTRICT JUDGE

12 Respectfully submitted by:

13 BROWNSTEIN HYATT FARBER
 14 SCHRECK, LLP

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 AVALINX, LLC in the caption